GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1339
ANSWERED ON:07.03.2008
LOAN TO SMALL WORKERS
Barad Shri Jashubhai Dhanabhai

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has issued guidelines to all the banks to provide loans to small workers at nominal rate of interest;

(b) if so, the details thereof;

(c) the mechanism worked out by Government to ensure such loans are provided by banks;

(d) whether the Government has introduced credit card scheme for small workers and poor people living in rural areas;

(e) if so, the details thereof; and

(f) the availability of customer's friendly services in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (c) : Several steps have been taken by the Government under specific schemes such as Prime Minister's Rozgar Yojana (PMRY), Swarnajayanti Gram Swarozgar Yojana (SGSY), Swarna Jayant Sahari Rozgar Yojana (SJSRY), Differential Rate of Interest (DRI) and Scheme of Liberation and Rehabilitation of Scavengers (SLRS) under which the loans are provided to the small workers/borrowers by banks at nominal rate of interest. As per the extant instructions of the Reserve Bank of India (RBI), the rate of interest on loans upto Rs.2 lakh should not exceed Prime Lending Rate (PLR) of the lending bank.

(d) & (e) : The following credit card schemes have been introduced for small borrowers :-
Artisans Credit Card (ACC)
Laghu Udyani Credit Card (LUCC)
Swarojgar Credit Card (SCC)

(f) : Banks have a robust internal grievance redressal mechanism to address all customer complaints including those relating to issue of loans to small borrowers. Various instructions have been issued to banks from time to time in this regard by RBI to ensure better customer service. Further, Banking Ombudsman has been appointed to look in to complaints in deficiency in banking services.